

1 C. Joshua Felker  
2 [FelkerC@sec.gov](mailto:FelkerC@sec.gov)  
3 Michael S. Fuchs (D.C. Bar No. 431440)  
4 [FuchsM@sec.gov](mailto:FuchsM@sec.gov)  
5 Attorneys for Plaintiff  
6 SECURITIES AND EXCHANGE COMMISSION  
7 100 F Street, N.E.  
8 Washington, DC 20549-5553  
9 Telephone: 202.551.4758  
10 Facsimile: 202.772.9236  
11

12 **UNITED STATES DISTRICT COURT**  
13 **NORTHERN DISTRICT OF CALIFORNIA**

14 **SAN FRANCISCO DIVISION**

15 **SECURITIES AND EXCHANGE**  
16 **COMMISSION,**

17 **Plaintiff,**

18 **v.**

19 **HERBERT RICHARD LAWSON,**  
20 **WILLIAM B. LAWSON, and**  
21 **JOHN J. CERULLO,**

22 **Defendants.**

Civil No. 3 : 14 - cv - 02157 - EDL

**FINAL JUDGMENT AS**  
**TO DEFENDANT**  
**JOHN J. CERULLO**

23 The Securities and Exchange Commission having filed a Complaint, and  
24 Defendant John J. Cerullo ("Defendant") having entered a general appearance; consented to the  
25 Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of  
26 this Final Judgment without admitting or denying the allegations of the Complaint (except as to  
27 jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from  
28 this Final Judgment:

**I.**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

**II.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;

- 1 (b) to obtain money or property by means of any untrue statement of a material fact or  
 2 any omission of a material fact necessary in order to make the statements made, in  
 3 light of the circumstances under which they were made, not misleading; or  
 4 (c) to engage in any transaction, practice, or course of business which operates or  
 5 would operate as a fraud or deceit upon the purchaser.  
 6

### 7 III.

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for  
 9 disgorgement of \$178,481.29, representing profits gained as a result of the conduct alleged in the  
 10 Complaint, together with prejudgment interest thereon in the amount of \$15,640.81, and a civil  
 11 penalty in the amount of \$178,481.29 pursuant to Section 21A of the Exchange Act [*15 U.S.C. §*  
 12 *78u-1*]. Defendant shall satisfy this obligation by paying \$372,603.39 to the Securities and  
 13 Exchange Commission within 14 days. Defendant may transmit payment electronically to the  
 14 Commission, which will provide detailed ACH transfer/Fedwire instructions upon request.  
 15 Payment may also be made directly from a bank account via Pay.gov through the SEC website at  
 16 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank  
 17 cashier's check, or United States postal money order payable to the Securities and Exchange  
 18 Commission, which shall be delivered or mailed to  
 19

20  
 21 Enterprise Services Center  
 22 Accounts Receivable Branch  
 23 6500 South MacArthur Boulevard  
 24 Oklahoma City, OK 73169

25 and shall be accompanied by a letter identifying the case title, civil action number, and name of  
 26 this Court; John J. Cerullo as a defendant in this action; and specifying that payment is made  
 27 pursuant to this Final Judgment.

28 Defendant shall simultaneously transmit photocopies of evidence of payment and case  
 identifying information to the Commission's counsel in this action. By making this payment,

1 Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of  
2 the funds shall be returned to Defendant. The Commission shall send the funds paid pursuant to  
3 this Final Judgment to the United States Treasury.

4 The Commission may enforce the Court's judgment for disgorgement and prejudgment  
5 interest by moving for civil contempt (and/or through other collection procedures authorized by  
6 law) at any time after 14 days following entry of this Final Judgment. Defendant shall pay post  
7 judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

9 **IV.**

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is  
11 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant  
12 shall comply with all of the undertakings and agreements set forth therein.

14 **V.**

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
16 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

17 **VI.**

18 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil  
19 Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

20 IT IS SO ORDERED

21  
22  
23  
24  
25  
26 Dated: May 20, 2014

27   
28 UNITED STATES DISTRICT JUDGE